

# EVIDENCE REPORT

## No 184

### Rising Powers in International Development

## Report of a High-level Roundtable on Rising Powers and Global Development, and Launch of the Centre for Rising Powers and Global Development

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March 2016

The IDS programme on Strengthening Evidence-based Policy works across seven key themes. Each theme works with partner institutions to co-construct policy-relevant knowledge and engage in policy-influencing processes. This material has been developed under the Rising Powers in International Development theme.

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## REPORT OF A HIGH-LEVEL ROUNDTABLE ON RISING POWERS AND GLOBAL DEVELOPMENT, AND LAUNCH OF THE CENTRE FOR RISING POWERS AND GLOBAL DEVELOPMENT

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# Abbreviations

|       |  |
|-------|--|
| AIIB  | Asian Infrastructure Investment Bank   |
| BRICS | Brazil, Russia, India, China and South Africa  |
| CIDRN | China International Development Research Network   |
| CRPD  | Centre for Rising Powers and Global Development  |
| DRC   | Development Research Center of the State Council of the People's Republic of China         |
| GDI   | German Development Institute – Deutsches Institut für Entwicklungspolitik                  |
| IDS   | Institute of Development Studies   |
| IPEA  | Instituto de Pesquisa Econômica Aplicada – Institute for Applied Economic Research, Brazil |
| OECD  | Organisation for Economic Co-operation and Development                                     |
| SPRU  | Science Policy Research Unit   |
| STEPS | Social, Technological and Environmental Pathways to Sustainability                         |
| UNDP  | United Nations Development Programme   |

# Summary

This high-level roundtable meeting, held on 22 April 2015, was co-hosted by the Institute of Development Studies (IDS), the Development Research Center of the State Council of the People's Republic of China (DRC) and the China International Development Research Network (CIDRN). It brought together experts from across IDS' global network of policy, research and civil society partners to discuss the role for rising powers in global development, and how to facilitate mutual learning and partnership.

The event marked the launch of the new Centre for Rising Powers and Global Development (CRPD). CRPD conducts and facilitates research on the impact of the BRICS (Brazil, Russia, India, China and South Africa) and other rapidly changing and increasingly influential middle-income countries on international development, global public goods, and for the future of Development Studies research and training. Its research takes a political economy approach at global, national and community levels of analysis, to explore the effects of new alliances and coalitions, and the impact for development, sustainability and global governance issues, in the context of rapid change.

This Evidence Report will provide a summary of the presentations and broader discussion that took place at the event around these themes.

# 1 Programme

## **Launch of the Centre for Rising Powers and Global Development**

Speakers:

- Melissa Leach, Director, IDS
- Jing Gu, Director, CRPD
- Cheng Guoqiang, Head of International Cooperation, DRC

## **Roundtable session one: The role for rising powers in global development**

Moderators:

- Stephen Chan, OBE, Professor of International Relations, School of Oriental and African Studies (SOAS)
- Adebayo Olukoshi, Director, African Institute for Economic Development and Planning

Speakers:

- Niels Knudsen, Assistant Country Director, United Nations Development Programme (UNDP) China
- Johan Schot, Director, Science Policy Research Unit (SPRU), University of Sussex
- Gao Shiji, Director, Institute for Resources and Environment Policies, DRC
- Meibo Huang, Professor/Director, China Institute for International Development, School of Economics, Xiamen University
- Xu Weizhong, Director, China Institute of Contemporary International Relations
- André de Mello e Souza, Study Coordinator, International Institutions and Governance, Instituto de Pesquisa Econômica Aplicada (IPEA)

## **Roundtable session two: Rising powers and global development: mutual learning and partnership**

Moderators:

- Thomas Fues, Head of Training, German Development Institute (GDI)
- Gerry Bloom, Senior Research Fellow, IDS

Speakers:

- Stephany Griffith-Jones, Financial Markets Program Director, Initiative for Policy Dialogue, Columbia University
- Richard Carey, Chair, International Advisory Committee of CIDRN; former Director for Development Cooperation, Organisation for Economic Co-operation and Development (OECD)
- Shao Yiming, Chief Expert, National Center for AIDS/STD Control and Prevention, Department of Research on Virology and Immunology, Chinese Center for Disease Control and Prevention
- Zhou Hong, Senior Researcher, Institute of European Studies, Chinese Academy of Social Sciences
- Wang Yihuan, Director, Research Center for International Development, China Agricultural University
- Adrian Ely, Deputy Director, Social, Technological and Environmental Pathways to Sustainability (STEPS) Centre; Senior Lecturer, SPRU, University of Sussex

## 2 Launch of the Centre for Rising Powers and Global Development (CRPD)

This session was chaired by Jing Gu, Director of CRPD.

### **Professor Melissa Leach, Director, IDS**

Melissa Leach opened by noting that the launch of the new Centre for Rising Powers and Global Development marks a very important moment for IDS in its engagement with China and its Chinese partners. Since establishing in 1966, IDS has worked in close collaboration with Chinese scholars and practitioners. IDS is launching a new strategy which is very much aligned with current trends in China. The first emphasis is to work more globally. IDS is a UK-based institution which has always worked with many partners, but it wants to increase the extent to which it works within and as part of global networks, recognising that it exists in a world of interconnected global challenges. It also recognises the need to help countries navigate these challenges in ways that fit their national and local contexts, and their diverse cultural and political settings. There are vast opportunities to share and learn from each other's experiences, whether one looks at China's experiences in the UK and Africa, or other rising powers that each have domestic experiences to share around reducing poverty and dealing with environmental problems. There are numerous opportunities for global cooperation, mutual learning, and for working through global networks and consortia.

Professor Leach noted that she was struck by the resonance between the IDS strategic emphasises and the 'new normal' in China's own development thinking: the idea that growth alone is not enough, and the need to think about quality growth that eliminates poverty and that is more sustainable. There is a resonance between IDS' emphasis on global networks and Chinese thinking around 'One Road, One Belt', with both focusing on international cooperation. The new CRPD encapsulates this new way of working.

### **Dr Jing Gu, Director, CRPD**

Jing Gu gave an overview of the new CRPD. The centre builds on the work of the IDS Rising Powers in International Development programme, bringing together experts from its global network of policy, research, business and civil society partners to produce new thinking and practical policy guidance on effective approaches to engagement and mutual learning. CRPD has three components: knowledge and evidence, learning and partnership, and policy and influence. The centre will conduct policy-oriented research in three key areas: the impact of the BRICS and other rapidly changing and increasingly influential middle-income countries on low-income countries; the need to restructure global development institutions and global public goods, such as the environment, food and health; and the future of Development Studies research and training.

Dr Gu said:

*Ahead of the Bandung Conference celebrations this week, Chinese Premier Li Keqiang spoke of Asian and African nations driving a new world political order. This kind of leadership signals the growing commitment of rising powers such as China to achieving a sustainable global future. Given this, understanding their role and the role that South-South cooperation has to play in a new global development era is absolutely critical and we are delighted to be joining today with long-standing partners to launch a new centre that will help do just this.*

### **Cheng Guoqiang, Head of International Cooperation, DRC**

Cheng Guoqiang offered congratulations on the launch of CRPD, and discussed the growing role for rising power countries in global development. The emergence of the rising powers has given increased momentum to global governance and economic growth, highlighting the importance of promoting international development and institutional cooperation. Rising power countries face many challenges including institution building, global governance, infrastructure and social structures. Increased partnership and learning between rising power countries will help confront these challenges, and CRPD is an excellent opportunity to further this.

An overview was then provided of China's new 'One Belt, One Road' project, which will focus on infrastructure development among countries primarily in Eurasia. Transportation infrastructure is a key priority for development cooperation, and infrastructure investment can promote new economic growth. The Chinese government recently initiated the new Asian Infrastructure Investment Bank (AIIB) to provide such investment, which has 57 founding member countries.

Director Cheng then gave an outline of the DRC, an institution for policy research within the State Council of China that provides research, knowledge and evidence. The DRC is excited to announce two new projects: a Centre for International Knowledge on Development, and a Silk Road Think Tank Network. The Centre for International Knowledge on Development is a five-year bilateral and multilateral cooperation project which will focus on the internationalisation of Chinese experiences and the localisation of international experiences. The goal of the Silk Road Think Tank Network is to support the development of One Belt, One Road through providing policy and strategy assistance to countries along the Silk Road. The Network will include institutions from countries along the Silk Road or countries who are interested in the Silk Road subject.

## **2.1 Roundtable session one: The role for rising powers in global development**

This session was moderated by Stephen Chan (School of Oriental and African Studies) and Adebayo Olukoshi (African Institute for Economic Development and Planning).

### **Niels Knudsen, Assistant Country Director, UNDP China**

Niels Knudsen gave an overview of the United Nations Development Programme (UNDP)'s work in China over the past 35 years. During that period, China went on an unprecedented journey, increasing per capita gross domestic product by 3,000 per cent and lifting 700 million people out of poverty. This is a lesson that needs to be shared with the world. Over the past two years, UNDP China has worked with thinktanks and research institutions on issues such as aid modalities, evaluation, and the role of civil society.

Mr Knudsen expressed that 2015 was an unprecedented year for new agreements and new approaches to addressing global poverty. Based on China's domestic success, there is a unique opportunity for China and other rising powers to play a greater role in shaping concepts and modalities on the Sustainable Development Goals (SDGs). He said that the success of the year would not only be based on the agreement on the SDGs in September, but how this agreement will be structured and to what extent the SDG framework will be built on a mechanism that sufficiently draws on the experiences, know-how and involvement of the rising powers.



**Johan Schot, Director, SPRU, University of Sussex**

SPRU has been active in China for many years and focuses on science, technology and innovation and its impact on economic development, growth, sustainability and equalities. Johan Schot noted that 2016 will mark SPRU's 50th anniversary, which will provide an opportunity to reflect. The world is in transition, facing new challenges, and it is becoming clear that our current systems cannot be globalised.

**Gao Shiji, Director, Institute for Resources and Environment Policies, DRC**

IDS and DRC signed a Memorandum of Understanding during the CRPD launch, and Gao Shiji outlined this collaboration. He also detailed the contribution of information and communications technology innovation to global development, which is an area being led by rising power countries.

**Meibo Huang, Professor/Director, China Institute for International Development, School of Economics, Xiamen University; member of CIDRN Management Group**

In 2014, CIDRN joined the Network of Southern Think Tanks (NeST). Meibo Huang outlined NeST's aims and activities, which focus on research on emerging powers and South-South Cooperation (SSC). NeST welcomes CRPD as a new space for greater communication, coordination and learning in this arena.

**Xu Weizhong, Director, China Institute of Contemporary International Relations**

Xu Weizhong discussed the impact of emerging powers on international development cooperation. SSC has grown significantly since the Cold War and it will continue to grow; indeed, 2015 marked the 60th anniversary of the Bandung Conference. International development cooperation theory, practice and international structures will change due to the emergence of new powers. Trilateral cooperation will increase, which will help overcome current fragmentation of aid and encourage scaling up and mutual learning.

**André de Mello e Souza, Study Coordinator, International Institutions and Governance, IPEA, Brazil**

André de Mello e Souza gave an overview of the history and key features of Brazilian international development cooperation in comparison to other rising power countries. A key distinguishing feature is Brazil's focus on social development, unlike other rising powers who focus on infrastructure and energy. Other Brazilian priorities include agriculture, education and health. Brazil channels most of its cooperation multilaterally in contrast to other emerging powers. Trilateral cooperation is also important, and its main partners are the International Labour Organization and Japan.

**Stephen Chan and Adebayo Olukoshi** made some concluding remarks on the presentations and opened discussion to the floor. Key discussion points included:

- China's role as a global investor is highly significant because China's foreign exchange reserves are now the largest ever in history. China is looking to invest in multilateral institutions such as the new AIIB.
- China's role in global governance and global public goods is also important. This goes beyond the SDGs and post-2015 discussions to issues such as climate change, transparency, resource governance and sustainable lending principles.
- Infrastructure projects such as One Belt, One Road need to include infrastructure related to social development, such as better sanitation and water facilities.
- CRPD can help foster dialogue around global development from different perspectives, looking beyond foreign aid.

## **2.2 Roundtable session two: Rising powers and global development: mutual learning and partnership**

This session was moderated by Thomas Fues (GDI) and Gerry Bloom (IDS).

### **Stephany Griffith-Jones, Financial Markets Program Director, Initiative for Policy Dialogue, Columbia University**

Stephany Griffith-Jones discussed the role of development finance for emerging economies as an area where mutual learning is potentially very fruitful. She expressed that the timing of the CRPD launch was very exciting, following the announcement of the AIIB and the BRICS Development Bank in 2014. Today, 70 per cent of foreign exchange reserves are held in emerging economies, particularly in China. This is coupled with great need for infrastructure in the developing world. Existing institutions, both public and private, are insufficient to provide this finance. Development banks are very necessary but they have insufficient funding and are in need of some reform. Therefore, new initiatives such as the AIIB that combine the assets of emerging economies with the great needs of developing countries are ideal. A new development bank can learn from and build on the experiences of other successful development banks.

### **Richard Carey, Chair, International Advisory Committee of CIDRN; former Director for Development Cooperation, OECD**

Richard Carey described the dramatic changes in China since he first visited Beijing in 1982, which offer many lessons to the world. He expressed that the new initiatives outlined by Cheng Guoqiang will position Beijing as one of the world's great centres of development agenda learning. IDS' work on rising powers indicates that multidirectional learning is key. The China-DAC Study Group was jointly set up in 2009 by OECD's Development Assistance Committee (DAC) and the International Poverty Reduction Centre in China. In 2011, the Study Group produced the report *Economic Poverty Reduction Transformation: How It Happened in China, Helping It Happen in Africa*. China has introduced the word 'transformation' into the debate, illustrating how China's experience is impacting on concepts and vocabulary. It is also changing the level of ambition and bringing a completely new experience to that of the Northern donors and existing multilateral development banks, who discuss incremental rather than transformational change.

### **Shao Yiming, Chief Expert, National Center for AIDS/STD Control and Prevention, Department of Research on Virology and Immunology, Chinese Center for Disease Control and Prevention; member of the IDS Board of Trustees**

Shao Yiming discussed new priority areas for China, which include global health and international development research. Global health is key to global security, but there is still no global health response force.

### **Zhou Hong, Senior Researcher, Institute of European Studies, Chinese Academy of Social Sciences**

Zhou Hong noted that the establishment of CRPD is an excellent opportunity for collaboration around global development, to share knowledge and learning from different countries' experiences. The language and focus of development has changed from national to global development.

### **Wang Yihuan, Director, Research Center for International Development, China Agricultural University**

Wang Yihuan shared some thoughts from Professor Li Xiaoyun, Chair of CIDRN and former Dean of the College of Humanities and Development Studies, China Agricultural University, who was unable to join the meeting.

China Agricultural University's long-term research into China's rural development has indicated that China's transformation has followed a similar path to other developed nations, including an increase in urban development, decline in agricultural sector, and the rise of secondary and tertiary sectors. However, contrary to generic models, China has adopted alternative methods to address economic development, which are explored in publications by the China-DAC Study Group. CIDRN is exploring the new role for Development Studies. China's international development assistance adopts different models to the traditional donors, so traditional Development Studies needs to be revisited.

**Adrian Ely, Deputy Director, STEPS Centre; Senior Lecturer, SPRU, University of Sussex**

Adrian Ely gave an outline of the STEPS Centre, which works on social, technological and environmental pathways to sustainability, drawing on expertise from IDS and SPRU. The STEPS Centre looks at the role of different kinds of innovation in fostering poverty alleviation, social justice and environmental sustainability, drawing on experience of the interactions between technology and development in different parts of the world.

A key insight from this work is how technology, development institutions and infrastructure can lead to pathways which do not conform to our ideals of equitable and sustainable development. The rising powers have a great contribution to make in avoiding these kinds of unsustainable pathways. This is a key moment for the rising powers to work together with centres such as CRPD in order to share lessons around the huge investments that are being made, to contribute together to truly global, sustainable, equitable patterns of development.

**Thomas Fues** and **Gerry Bloom** made some concluding remarks about the presentations and opened discussion to the floor. Key discussion points included:

- It is important to learn from others' mistakes as well as their successes. Building a learning network in the research community is crucial to provide evidence and avoid repeating the same mistakes.
- While there are many opportunities for mutual learning there are also a number of obstacles, including a lack of understanding between partners, disconnection between officials and practitioners, and issues of transparency.
- In trilateral cooperation the needs and requests of recipient countries are often largely ignored, which is a key issue.
- Development cooperation is still too focused on aid, which deters countries such as China from being more actively engaged.
- There are many caveats in sharing China's development model because no other country is in a situation to do what China has done and become the workshop of the world.
- China is now grappling with changing its development model in a fundamental way, and the shaping of a new pathway to sustainable development is a key opportunity. China is currently doing more than any other country to think about sustainable development.



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